

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
California Housing Finance Agency
Sacramento, California

We have examined the assertion by management of California Housing Finance Agency (the Agency) that during the year ended June 30, 2008: “(1) *the Agency used Prop 1C funds committed/disbursed for the purpose specified in the California Homebuyer's Down Payment Assistance Program,* (2) *Borrowers qualified based on income level and sales price as determined by the California Homebuyer's Down Payment Assistance Program, and (3) Proper loan agreement/lien was recorded against the property*”. Management of the Agency is responsible for compliance with those requirements. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2008.

This report is intended solely for the information use of the Finance Agency and is not intended to be and should not be used by anyone other than this specified party.

Deloitte + Touche LLP

October 13, 2008